STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)	USD	EUR	GBP	JPY
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI					
▼ 0.96%	▼ 1.40%	▼ $1,656.60 (per ounce)	▼ $105.30 (per barrel)	▼ 0.37%	▼ 0.67%	▼ 0.73%	▼ 1.43%	BUY TK	81.25	107.84	128.92	0.97
4,990.32	9,252.50			17,058.61	10,114.79	2,994.09	2,252.16	SELL TK	82.25	111.85	132.92	1.04

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STAR

Zia Ahmed, *seated right*, chairman of Bangladesh Telecommunication Regulatory Commission, sign a consultancy deal yesterday with Bruce D Kraselsky, managing director of Space Partnership International, to launch the country's first satellite into space. Rajiuddin Ahmed Raju, telecoms minister; Dan W Mozena, US ambassador; and Hasanul Haq Inu, chairman of the parliamentary standing committee on post and telecoms, are also seen at the programme in Dhaka. Story on page 1

Flyover eases goods transport in Ctg port

DWAIPAYAN BARUA, *Ctg*

Transport of goods to and from Chittagong Port has become easier and faster, thanks to a flyover constructed in the port area.

Prime Minister Sheikh Hasina inaugurated the flyover, first of its kind in the port city, on Wednesday.

Cargo in and out of two container terminals -- Chittagong Container Terminal (CCT) and New Mooring Container Terminal (NCT) -- is now carried over the flyover directly to the highway to Dhaka.

The flyover stretches from the Port Access Road to the connecting point of the two container terminals.

The Port Access Road stretches from Customs Bridge near the port to the Dhaka-Chittagong highway at Fouzderhat point.

Secretary of Chittagong Port Authority (CPA) Syed Farhad Uddin Ahmed said heavy container carriers and trucks now easily ply between the port and the highway bypassing the centre of the city.

Although the flyover will not be used widely by public vehicles, it will significantly help transport goods from the port to outside the city, said CPA Chief Engineer Khairul Mostafa.

More than 6,000 container carriers and trucks will use the flyover a day.

At present, container cargoes from the main jetties under General Cargo Berths directly reach the Port Access Road using the Customs Bridge, said Mostafa.

Thanks to the flyover, cargo in and out of the port jetties no longer needs to cross the busy Airport Road.

Cargo has so far been facing acute gridlock while crossing the Airport Road causing sufferings to commuters.

Mostafa, however, said only the vehicles carrying bulk cargo, especially food grains, to the warehouses in Sadarghat and Majhirghat areas will use the Airport Road now.

Nasir Uddin Chowdhury, first vice president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), hoped the cargo would now take less time to reach the port.

Chowdhury said efficiency of the port would increase much with the speedy delivery of cargo with the help of the flyover.

The construction of the 1.42 kilometre-long flyover was completed in December last year at a cost of Tk 82 crore under Chittagong Port Trade Facilitation Project. Beautification was finished recently, said Project Manager Arun Alo Chakma of Roads and Highways Department.

The work order of the flyover under joint finance of the Asian Development Bank and the government was given on May 15, 2008.

However, users alleged that plying of vehicles on the flyover at night is difficult due to a lack of light posts on it.

Project Manager Arun said the point of electrification was not included in the development project proposal, but during the construction they kept arrangements for setting up electric poles on the flyover.

He said they discussed the matter with the communication minister and have already submitted an estimation of probable cost of Tk 1.5 crore to the ministry.

They will start work once the fund is approved, he said.

ANURUP KANTI DAS

The first flyover in Chittagong promises to ease cargo transport in the port city.

BB warns financial institutions against unauthorised investments

SAJJADUR RAHMAN

The central bank yesterday warned financial institutions (FIs) that set up subsidiaries against the law and instructed them to withdraw investments from those companies by September 30.

"It is observed that some financial institutions are investing beyond the law by forming subsidiaries," Bangladesh Bank said in a statement. "So, investment risks are growing."

Some FIs formed subsidiaries even in real estate, a practice that goes against the Financial Institution Act 1993, a senior BB official said, justifying the central bank's latest move.

Four to five financial institutions have set up such subsidiaries and a few others are in the pipeline, the official said.

The notice attracted mixed reactions from the chief executives of the institutions.

"The central bank has opened many windows for finance companies. It is unnecessary to form subsidiaries in the first place," said Shamsul Arefin, managing director of Uttara Finance.

"It also involves huge costs."

Selim RF Hussain, managing director of IDLC Finance, said the financial institutions should concentrate on areas that support their core areas.

But Asad Khan, managing director of Prime Finance, said FIs might need such subsidiaries because of the nature of business.

"We own properties because of the nature of our business, but we don't have the expertise in selling properties," said Khan, also the president of Bangladesh Leasing and Finance Companies Association.

He said the financial institutions have to deal with a lot of mortgage, especially with lands, and officials face trouble in finding buyers.

However, Khan said the institutions would follow the BB's instruction.

Financial institutions, also known as non-bank financial institutions, are regulated by the central bank.

Thirty-one FIs operate in Bangladesh: two government-owned, one is the subsidiary of a state-owned bank, 13 are owned by local private investors and 15 are joint ventures.

The major sources of funds of the FIs are term deposits (at least six-month tenure), credit facility from banks and other FIs, call money as well as bonds and securitisation.

The major difference between banks and FIs is that FIs cannot issue cheques, pay-orders or demand drafts and cannot receive demand deposits. In addition, FIs cannot be involved in foreign exchange financing.

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Efforts on to find solution to India's cotton export ban

Officials of Bangladesh, India talk trade issues

PALLAB BHATTACHARYA, *New Delhi*

India and Bangladesh yesterday decided to find a solution to the problems arising out of New Delhi's ban on export of cotton that has threatened spinning mills in Bangladesh.

"We will find a solution to it. I cannot disclose to you right now what decision an Empowered Group of Ministers will take on this," said Indian Commerce Secretary Rahul Khullar in reply to a question at a joint media interaction with his Bangladeshi counterpart Ghulam Hussain here.

Answering a question before Khullar's remarks, Hussain said he had raised the issue at the two-day meeting of the commerce secretaries which concluded yesterday afternoon.

India's recent imposition of ban on cotton export had raised concerns in Bangladesh where a large number of spinning mills are dependent on the raw material export from India.

The Bangladesh delegation at the meeting expressed concern over ensuring uninterrupted export of cotton by India and said the country would require at least 15 lakh bales every year.

"It was decided that a contractual agreement between the Cotton Corporation of India and its counterpart organisation in Bangladesh needs to be worked out," a joint statement said, adding that both sides would hold further discussions before end of May on this matter.

Bangladesh brought up the problems faced by its jamdani sari and soap exporters, to which India responded by saying that a notification for setting up a testing lab would be set up in Kolkata to test the dye used in jamdani saris made in Bangladesh.

The Indian side also agreed that necessary arrangements would be made to allow import of soaps through all land customs stations.

Bangladesh also pointed out that 22 garment consignments were cleared by Indian clearing and forwarding agents on the basis of

> *"It was decided that a contractual agreement between the Cotton Corporation of India and its counterpart in Bangladesh needs to be worked out"*

"non-valid" documents leading to payment problems for exporters in Bangladesh and Indian side assured Bangladesh of considering the issue.

Bangladesh assured India that it will favourably consider India's request for substantial reduction of its sensitive list of goods before the next meeting of the Safta Committee of Experts scheduled in May.

On the issue of India's concern on imposition of supplementary duty over 60 percent on import of plastics, Bangladesh agreed to examine this issue and revert expeditiously.

On business visas, India said validity of visa should be co-terminus with work permits.

Both sides affirmed that reputed businesspersons should normally be granted long-term, multiple entry visas.

On the opening of branch office in India by Bangladeshi companies, India assured early resolution of the issue.

It was agreed to re-visit the present restrictions, if there is any, on investments from Bangladesh.

Bangladesh cited a specific instance of a company not being allowed to open its branch in India. They said the Reserve Bank of India had rejected the application after two years without giving proper justification.

On banking problems faced by Indian companies, which have invested in Bangladesh, the joint statement said Bangladesh assured that the matter would be conveyed to the appropriate authority for early resolution.

India also gave details about payment defaults by Bangladeshi importers arising out of non-honouring of irrevocable letters of credit (LC).

Further, India pointed out two particular problems being faced by Indian exporters including that of remittance of converted dollars (from taka) and that there is a ceiling on the repatriable amount.

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Garment exports to Germany not hurt by debt crisis

REFAYET ULLAH MIRDHA

Garment exports to Germany, the single largest export destination of Bangladesh in the Eurozone, maintain a steady growth despite an ongoing debt crisis in the region.

Readymade garment is Bangladesh's main export item for the German market, accounting for more than 90 percent value of the total exports a year. Globally the country is the second largest export market for Bangladesh after the US.

Of the garment exports, knitwear accounts for 55 percent, according to data from Bangladesh German Chamber of Commerce and Industry.

The share of woven garments is 37 percent of the total apparel exports to Germany.

Though most earnings came from knitwear, the sector's growth was 15 percent against 45 percent of woven during the July-February period of the current fiscal year, the data showed.

Bangladesh exported knitwear products worth around $1.4 billion to Germany during July-February, registering a 15 percent growth compared to the same period last year.

During the period this year, woven garments fetched $1 billion from Germany.

The total export value was at $2.48 billion in July-February, up from $2 billion in the same period last year.

Due to a steady export growth of apparel items over the last decade, Bangladesh's position is third among other apparel supplying countries to Germany.

Currently, China is number one followed by Turkey and Bangladesh. Among other supplying countries, the Netherlands' position is fourth, Italy's fifth, Poland's sixth, India's eighth, Denmark's ninth and France's 10th.

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HSBC to buy UAE banking operations from Britain's Lloyds

AFP, *London*

HSBC on Thursday said its Middle East unit had agreed to buy UAE-based assets worth $769 million that belonged to its part-nationalised rival Lloyds Banking Group.